coupon debentures" to be repaid after liquidating the restructured loans along with interest.

- An incentive of maximum 4% would be extended on the rate of interest leading to the final interest cost to the textile units on term borrowings at 8% per annum.
- The textile units would pay interest at the rate of 8%. Interest incidence upto 4% would be compensated to FIs/banks out of the proposed fund.
- The loans covered under TUFS and External Commercial Borrowings would not be eligible under the scheme.
- The restructured loans alongwith 8% interest would be repaid in a maximum period of 10 years including 2 years moratorium. After 10 years period no interest incentive would be extended to any unit.

6.3 The liabilities eligible for restructuring would include secured liabilities and excess working capital on the cut off date.

6.4 The scheme would remain open for two year from the date of announcement. Loan given during these two year period shall not be eligible under the scheme. Any fresh loan for modernisation and expansion would be eligible for interest relief under TUFS.

6.5 The initial size of the reconstruction fund will be Rs. 500 crores. Additional requirement of fund could be assessed on the pace and success of the scheme.

Higher power consumption for weaving of textiles

†391. SHRI RAM JETHMALANI: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that 27 per cent cost of production for weaving of textiles in the country is that of power consumption;

(b) if not, the facts in this regard;

(c) whether it is also a fact that in other countries of the world *viz.* Brazil, Indonesia and Korea, it is upto 14 per cent, 12 per cent and 15 per cent, respectively;

(d) if not, the facts in this regard; and

† Original notice of the question was received in Hindi.

(e) the reasons for comparatively higher expenditure on power consumption in production cost of textile-weaving in India?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) As per the study condcuted by the Office of Textile Commissioner, Mumbai, in the year 2002, the cost of power in case of shuttle loom, Automatic Loom and Shuttleless Loom in different parts of the country with certain assumptions varied from 1.74% to 11% in the case of plain looms, 5.5% to 11.63% in the case of Automatic Looms and 3.6% to 7.3% in the case of Shuttleless Looms.

(b) The power consumption differ from unit to unit depending on the following:

(i) Loom productivity which depends on the technology level and age of the machinery.

(ii) Sourcing of power, *i.e.* State Electricity Boards (SEBs), Captive power generation, Wind mills etc. Cost of power also varies from state to state due to differential power tarrif in different State SEBs.

(iii) quality and type of yarn used (cotton/synthetic/ blended), ends per inch, picks per inch used for the manufacture of fabrics.

(iv) type (specification) of fabrics and cost of finished fabric.

(c) and (d) The international production cost comparison for the year 2003, as obtained from International Textile Manufacturers Federation (ITMF), shows the power cost as 15%, 16% and 17% of fabric cost in India in case of Textured Yarn Fabric (Synthetic), O-E Yarn Fabric (Cotton) & Ringh Fabric (Cotton & Blended) respectively. It may be seen from the figures furnished in the Table below that the cost of power is lowest in Brazil *i.e.* 6%-7%. of the fabric cost. Power cost is highest in India for Ring Yarn Fabric (Cotton & Blended) (17%) and O-E Yarn Fabric (Cotton) (16%), while in case of Textured Yarn Fabric (Synthetic), Power cost in Italy is the highest *i.e.* 28% of the fabric cost.

(in US$ per yard of fabric)

Kind of fabric	Brazil	China	India	Italy	Korea	Turkey	USA
Woven Ring-Yarn	0.046	0.089	0.112	0.146	0.070	0.098	0.068
Fabric	7%	13%	17%	13%	9%	13%	8%

1	2	3	4	5	6	7	8
Woven O-E Yarn Fabric		0.077	0.097	0.127	0.062	0086	0.060
	6%	12%	12%	16%	13%	13%	8%
Woven Textured Yarn		0.072	0.089	0.300	0.055	0.075	0.247
Fabric	6%	14%	15%	28%	10%	12%	27%

(Source:-Tables 66, 67 and 73 of Compendium of International Textiles Statistics 2004
Published by the O/o the Textile Commissioner, Mumbai.)

(e) Since the technology level of the weaving segment of Indian Textile Industry is low compared to other countries, the cost of power as a percentage of total cost of fabric production is also higher in the country.

Action on representation by Indian Cotton Mills Federation

392. SHRI K. RAMA MOHANA RAO: Will the Minister of TEXTILE be pleased to refer to reply to Unstarred Question 1686 given in the Rajya Sabha on 17th December, 2003 and state the action taken by the Ministry on the representation received from the Indian Cotton Mills Federation?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): As per the Budget 2004-05 presented in the Parliament on 8.7.04, the duty structure of textiles has been completely revised. The CENVAT Scheme for textiles has been made optional and there will be mandatory duty only on man-made fibres/yarns *{i.e.,* 24% on Polyester Filament Yarn (PFY) including textured yarn and 16% on all other filament yarns and man-made fibres). Except for these duties other textile goods will be fully exempt if no credit of duties is taken under the CENVAT Credit Ruels. For those opting to pay the duty and thereby avail of duty credit, the applicable rates of duty will be 4% for pure cotton textile items *(i.e.,* yarn, fabrics, garments and made-ups) and 8% for other textile items including yarn, fabrics, garments, and made-ups. Besides, Additional Duty on Textile and Textile Articles (AT & T) and Additional Excise Duty in lieu of Sales Tax for goods of special importance have been abolished.

Steps for smooth running of Textile Industry

†393. SHRI ISAM SINGH: Will the Minister of TEXTILES be pleased to state:

(a) the number of textile industries closed in India; and

† Original notice of the Question was received in Hindi.